

**FANCONI CANADA**

Unaudited Financial Statements

December 31<sup>st</sup>, 2004

Prepared By:

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Treasurer

May 31, 2005

**FANCONI CANADA****Statement of Financial Position**  
(Unaudited)

As at December 31, 2004

	<u>Dec. 31, 2004</u>	<u>Dec. 31, 2003</u>
<b>CURRENT ASSETS</b>		
Bank accounts	\$109,519	\$20,136
Undeposited funds	5,801	11,144
Guaranteed Investment Certificate	53,145	102,160
<b>TOTAL CURRENT ASSETS</b>	<u>\$168,465</u>	<u>\$133,440</u>
<b>LIABILITIES &amp; NET ASSETS</b>		
Research projects payable (note 6)	-	\$22,500
Net Assets internally restricted for research (note 3)	\$161,769	105,780
Unrestricted net assets	6,696	5,160
<b>TOTAL LIABILITIES &amp; NET ASSETS</b>	<u>\$168,465</u>	<u>\$133,440</u>

May 31, 2005

**FANCONI CANADA****Statement of Operations**  
(Unaudited)

For the year ended December 31, 2004

	Jan. 1, 2004 to <u>Dec. 31, 2004</u>	Jan. 1, 2003 to <u>Dec. 31, 2003</u>
<b>REVENUES</b>		
Research contributions	\$76,739	\$51,411
Unrestricted contributions	2,218	992
Interest income	2,166	1,204
Total revenues	<u>\$81,123</u>	<u>\$53,607</u>
<b>GRANTS &amp; EXPENSES</b>		
Research projects funded (notes 4,5,6,7)	\$20,750	\$43,250
Administrative expenses	2,848	1,428
Total grants & expenses	<u>\$23,598</u>	<u>\$44,678</u>
<b>Excess of revenues over grants &amp; expenses</b>	<u>\$57,525</u>	<u>\$8,929</u>

May 31, 2005

**FANCONI CANADA****Statement of Changes in Net Assets**  
(Unaudited)

As at Dec. 31, 2004

	<u>Internally Restricted for Research</u>	<u>Unrestricted</u>	<u>Dec. 31, 2004</u>	<u>Dec. 31, 2003</u>
<b>NET ASSETS</b>				
Balance, beginning of year	\$105,780	\$5,160	\$110,940	\$102,011
Excess of revenues over expenses, research	55,989	-	55,989	8,161
Excess of revenues over expenses, administration	-	1,536	1,536	768
<b>BALANCE, END OF YEAR</b>	<u>\$161,769</u>	<u>\$6,696</u>	<u>\$168,465</u>	<u>\$110,940</u>

May 31, 2005

**FANCONI CANADA****Statement of Cash Flows**  
(Unaudited)

For the year ended December 31, 2004

	<u>Jan. 1, 2004 to</u> <u>Dec. 31, 2004</u>	<u>Jan. 1, 2003 to</u> <u>Dec. 31, 2003</u>
<b>Cash flows from operating activities</b>		
Boudreau family fundraising for research	\$920	-
Cronin family fundraising for research	-	\$150
Fecteau family fundraising for research	125	1,812
Audrey Hettinga memorial donations for research	150	3,210
Hopper/Heath family fundraising for research	300	260
Lauzier family fundraising for research	1,304	9,214
Janelle Redekop memorial donations for research	4,670	30
Shelson/Waxberg family fundraising for research	69,270	36,735
Cash received for administrative contributions	2,218	992
Cash received for interest	2,166	1,204
Cash paid for Bradshaw CIHR Partnership (note 4)	(20,750)	(20,750)
Cash paid for Dr. Dror's research project (note 5)	(22,500)	-
Cash paid for administrative expenses	(2,848)	(1,428)
<b>Net cash generated through operating activities</b>	<u>\$35,025</u>	<u>\$31,429</u>
<b>Cash flows from financing &amp; investing activities</b>		
Cash transferred from bank account to GIC	\$ -	\$50,000
Cash transferred to bank account from GIC	(49,015)	-
Sale (purchase) of GIC	49,015	(50,000)
<b>Net cash used in financing &amp; investing activities</b>	<u>-</u>	<u>-</u>
<b>Net increase in cash &amp; GIC's</b>	35,025	31,429
Cash & GIC's, beginning of year	133,440	102,011
<b>Cash &amp; GIC's, end of year</b>	<u>\$168,465</u>	<u>\$133,440</u>

**FANCONI CANADA****Notes to Financial Statements**  
(Unaudited)

As at December 31, 2004

**1. Purpose of the Organization**

Fanconi Canada (Canadian Fanconi Anemia Research Fund/La Fondation Canadienne de Recherche de L'Anemie de Fanconi) raises money to fund research on finding a cure and/or treatment for Fanconi Anemia (a fatal genetic disease causing bone marrow failure and physical anomalies); to raise awareness among members of the general public and the medical community about Fanconi Anemia, its diagnosis and methods of treatment; to provide support to Canadian families affected by Fanconi Anemia; and the publication of newsletters and educational materials in furtherance of the foregoing objectives. Fanconi Canada is incorporated under the Canada Corporations Act as a not-for-profit organization and is a registered charity under the Income Tax Act.

**2. Significant Accounting Policies****Revenue recognition**

Fanconi Canada follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Unrestricted investment income is recognized as revenue when earned.

**Investments**

Investments are recorded at the lower of cost and market value.

**Contributed services**

Volunteers contribute many hours per year to assist Fanconi Canada in carrying out its service delivery activities, fundraising and day-to-day operations. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

**3. Restrictions on net assets**

Fanconi Canada has no net assets with externally imposed restrictions; however, donations from the public are internally restricted to be used for research. Some donations from families afflicted with Fanconi Anemia are directed to cover Fanconi Canada services and administrative expenses as well as interest revenue.

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#### **4. Contractual Obligations - CIHR Partnership Dr. Bradshaw**

On July 25, 2002, Fanconi Canada and CIHR in a 50/50 partnership awarded Dr. Paul Bradshaw of the Hospital for Sick Children a 3 year Postdoctoral Fellowship for Fanconi anemia research. Fanconi Canada's portion of the Fellowship Award is \$20,750 per year for 3 years (for a potential total of \$62,250).

#### **5. Contractual Obligations – Dr. Dror**

On August 7, 2002, Fanconi Canada agreed to partially fund the Canadian Inherited Marrow Failure Registry for Dr. Dror at the Hospital for Sick Children. Fanconi Canada's obligation is \$22,500 per year for two years. In the fall of 2004, Fanconi Canada agreed to continue partial funding for the Registry for 2005 to 2007 at \$22,000 per year.

#### **6. Contractual Obligations – CIHR Partnership Dr. Brodeur**

On March 31, 2004, Fanconi Canada and CIHR in a 50/50 partnership awarded Dr. Isabelle Brodeur of the Centre Hospitalier Universitaire de Quebec (CHUQ) a 3 year Postdoctoral Fellowship for Fanconi anemia research, based on the August 15, 2003 competition. Fanconi Canada's portion of the Fellowship Award is \$20,750 per year for 3 years (for a potential total of \$62,250). The project and its funding was to commence February 1, 2005, but the start date has been delayed until August 1, 2005 as a result of the maternity leave of the Postdoctoral Fellow.

#### **7. Contractual Obligations – CIHR Partnership 2004 Competition**

On August 24, 2004, Fanconi Canada and CIHR posted another competition for a 3 year Postdoctoral Fellowship in a 50/50 partnership to be awarded early in 2005. Fanconi Canada's portion of the Fellowship Award is \$20,750 per year for 3 years (for a potential total of \$62,250). In 2005, this competition failed to generate any qualifying projects and so the contractual obligation has lapsed.

#### **8. Contractual Obligations –FARF Partnership Dr. Carreau**

In the fall of 2004, Fanconi Canada agreed to partner 50/50 with the Fanconi Anemia Research Fund, Inc. of Oregon to finance the project of Dr. Madeleine Carreau of the Centre Hospitalier Universitaire de Quebec (CHUQ) titled *Characterization of FANCC Proteolytic Fragments*. Fanconi Canada's obligation is US \$21,750, payable in 2005.